

INTRODUCTION

The Capital Improvement Plan (CIP) is a management and finance guide for the design and construction of capital projects, acquisition of equipment and installation of technology systems in the City. The CIP covers a period of six years and is revised every two years to identify the infrastructure needs to enhance public facilities and systems, establish project priorities in the City for the preservation and enhancement of public facilities and address changes in community priorities and funding.

The purpose of the CIP is to function as the expenditure plan for capital projects. Capital projects include the rehabilitation of existing capital facilities, as well as, the creation of new facilities. The largest and most visible facilities include: City Hall, Public Safety Building (Police), Corporation Yard (Maintenance), Downtown Parking Garage, over 109 miles of roadway system and approximately 20 miles of storm drain system. The CIP is also prepared in compliance with funding requirements of County Measure C, passed in 1988.

PROJECT DEVELOPMENT

Projects and programs identified in the CIP originate from many sources. The 2005-2010 CIP provided the basis for many projects in this 2007-2012 CIP. Ideas from residents, City Council, Traffic Safety Commission, Planning Commission and Staff provided the basis for the remaining projects.

The projects identified in the CIP address three general areas of responsibility:

- *First*, there is a responsibility to address the health, welfare and safety of the community;
- *Second*, there is the City's responsibility to maintain existing facilities;
- *Third*, the City's responsibility to effectively manage the impacts of community and regional growth. The Pleasant Hill General Plan and the Pleasant Hill Downtown Specific Plan provide guidance to accomplish this third responsibility.

SCOPE

Historically, the City of Pleasant Hill's CIP emphasized the maintenance and improvement of our streets. The City has a significant investment in its streets, and the proper maintenance of road surfaces will save the City money in the long run. The CIP is divided into four main categories: Maintenance Projects; Citywide Improvement Programs; City Projects and Grant Projects. The maintenance programs (roadway resurfacing, striping, and pothole repair) are considered to

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be very important elements of the CIP. While the CIP still places a high priority on streets, there are other projects that address public safety and the maintenance of other City facilities. Safety projects include the Annual Creek Maintenance Program, Golf Club Road Bridge Replacement Project and Sidewalk Repair Program. The Sidewalk Program (construction of new sidewalks) is another important safety program that will be undertaken during the six-year plan to improve pedestrian routes to significant community facilities (schools, senior complexes, and parks). Projects such as traffic calming, street widening improve traffic circulation for pedestrians, motorists and bicyclists. There is a storm drain facilities maintenance program to improve inadequate or deteriorating storm drains. There is a program to create utility undergrounding projects in order to utilize undergrounding revenues collected from Pleasant Hill utility customers and an Americans with Disabilities Act (ADA) Program to continue the effort to improve and upgrade City facilities to meet accessibility standards.

PROJECT PRIORITIZATION

The CIP is updated every two years in a thorough and intensive process. The updating process consists of two phases. The first phase consists of formulating the new draft CIP, and the second phase consists of approving the draft CIP through Budget Committee and City Council reviews. A comprehensive description of the CIP prioritization process activities is included in the CIP Review and Approval Process appendix.

REVENUES AND FINANCIAL RESOURCES

The CIP projects can be described by the following three attributes: Funded, unfunded and revenue restriction. Funded projects are those projects that can be financed through known and projected revenues. Unfunded projects are identified as community projects that can only be funded by new or currently unknown revenue sources. Revenue restrictions are restrictions placed on projects based on funding source such as Gas Tax funds and can only be used for projects that benefit roadway projects.

The CIP relies on funding from nine major revenue sources:

<i>General Fund:</i>	Is a funding source with no restrictions on the usage of its funds, City Council allocates funding to the CIP as deemed appropriate.
<i>Traffic Mitigation:</i>	City collected developer fees used to improve and increase roadway capacity, including upgrades to pedestrian and bicycle enhancement of roadway facilities.

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<i>Bedroom Tax:</i>	Fees and taxes collected through new building improvement assessments. The use of funds is restricted to improvements to public facilities.
<i>Gas Tax:</i>	These are State revenues from gasoline taxes. Funds are restricted to projects that benefit roadways.
<i>NPDES:</i>	Fees collected through a citywide assessment. Funds are used for projects that address National Pollutant Discharge Elimination System (NPDES) activities.
<i>Measure C:</i>	These are from the County – (Measure C passed 11/88). Sometimes called Return to Source funds and differ from guaranteed funds in that the City must meet performance requirements to receive "return to source" revenues.
<i>Grants:</i>	These are competitive grants from Federal, State and County Programs that the City applies for. Successful grant applications require the City to initially front the project design and construction monies prior to reimbursement. The City also has to provide matching funds that may range between 11.5% to 20% of the awarded amount.
<i>Redevelopment Funds:</i>	Funds are used to fund capital projects within the Redevelopment Areas.
<i>Traffic Congestion Relief Fund:</i>	Funds received from the State as a result of AB 2928 and SB 1662 (Statutes of 2000) and the related expenditures. These funds are to be used for maintenance, rehabilitation, and reconstruction projects for public streets and roads.

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The revenue source for the 2007-2012 CIP is represented (in percentages of contribution) in the chart below.

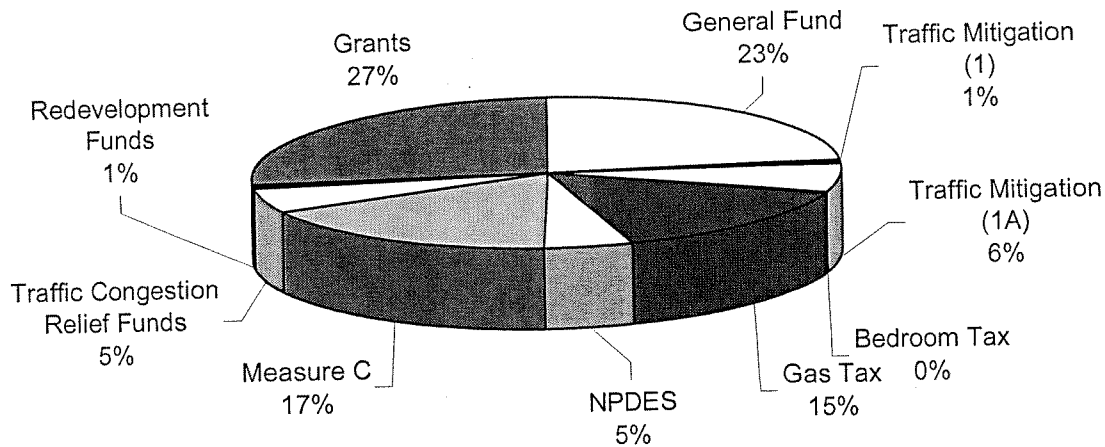


Figure I-1. Fiscal Year 2007-2012 Revenue Sources

The Engineering Division continues to pursue grants and the City's General Fund contributions. The current CIP identifies approximately \$4,526,000 in grant funding and \$4,084,000 in net General Fund contributions over the next 6 years. In the past, during the recession of the 90's, the State altered the formula that determined the tax reimbursement levels that Cities and Counties received. That formula is still in place to date, and Cities and Counties receive less monies (percentage wise) now than in pre-recession years. Therefore, continued grants and the City General Fund contributions are essential to make-up the funding revenue needed to support the CIP.